



**South Carolina  
Aeronautics Commission**

**Budget Request FY2021-2022**

# **South Carolina Aeronautics Commission Budget Request FY2021-2022**

## **Table of Contents**

- 1. List of Key Officials in Attendance**
- 2. Agency Overview**
- 3. Organization and FTE Breakdown**
- 4. Performance Update**
- 5. Financial Update**
- 6. Budget Request Summary**
- 7. Proviso Request Summary**
- 8. Other Information**

# Key Officials

## COMMISSION MEMBERS



### Chairman, At-Large

**Delphin A. Gantt, Jr.**

Phone (803) 479-7199 Email: chairman@aeronautics.sc.gov

<b>VACANT</b>	<b>District 1</b>
	<b>VACANT</b> District Airports: ARW, DYB, HXD, JZI, LRO, MKS

	<b>District 5</b>
	<b>Charles D. "Doug" Barnes</b> Phone (803) 287-5900 Email: district5@aeronautics.sc.gov District Airports: 35A, 52J, CDN, DCM, FDW, LKR, SMS, T73, UZA

	<b>District 2</b>
	<b>David Anderson</b> Phone (803) 622-8408 Email: district2@aeronautics.sc.gov District Airports: 1DS, 6J0, AIK, BNL, CAE, S17, 9SC

	<b>District 6</b>
	<b>Marco Cavazzoni</b> Phone (843) 822-3637 Email: district6@aeronautics.sc.gov District Airports: 3J0, 3J1, 51J, 5J5, 6J2, 99N, AQX, CHS, CKI, CUB, MNI, OGB, RBW

	<b>District 3</b>
	<b>Skeets Cooper</b> Phone (864) 230-5799 Email: district3@aeronautics.sc.gov District Airports: 6J4, 6J6, AND, CEU, EOE, GRD, LQK, LUX, S19

	<b>District 7</b>
	<b>Chris Bethea</b> Phone (843) 283-8484 Email: district7@aeronautics.sc.gov District Airports: 58J, 5J9, 6J7, 9W9, BBP, CQW, CRE, DLC, FLO, GGE, HVS, HYW, MAO, MYR, PHH, PYG, S79, UDG

	<b>District 4</b>
	<b>Lara Kaufman</b> Phone (864) 270-6660 Email: district4@aeronautics.sc.gov District Airports: 33A, GMU, GSP, GYH, SPA

	<b>Director</b>
	<b>James Stephens</b> Phone (803) 896-6262 Email: jstephens@aeronautics.sc.gov

### Agency Attendees:

James Stephens  
Executive Director

# Agency Overview

## SCAC's MISSION

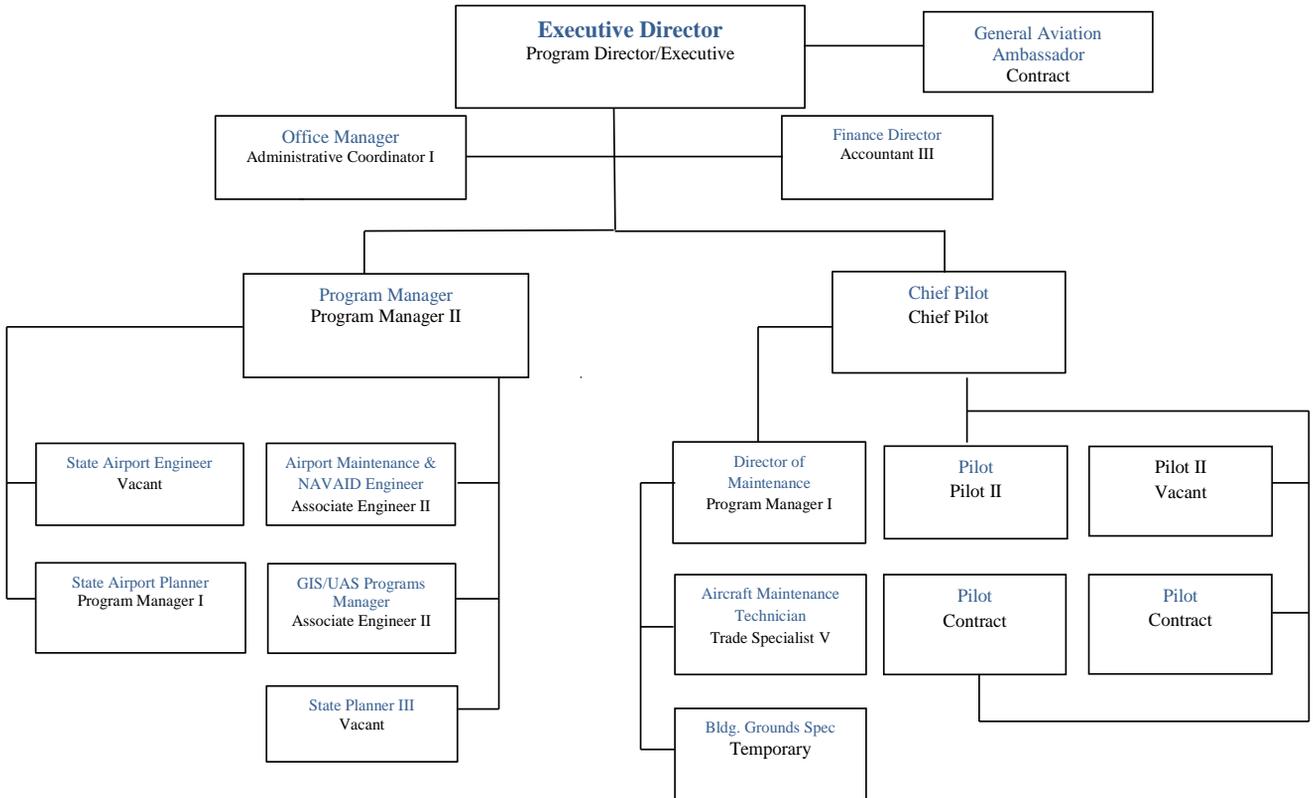
Fostering air and economic development by overseeing the safety and development of the state's public use airports, by providing safe and reliable air transportation for state government and business prospects; and by providing aviation education opportunities.

## SCAC's ROLE

- Oversight of the safety and development of public use airports
  - Accomplished by following Title 55 requirements and soon the promulgation of regulations
- Provision of safe, reliable air transportation
  - Accomplished through the hiring of qualified staff, provision of recurrent training, and by sound operational management
- Provision of aviation education opportunities
  - Accomplished through partnerships with educators, institutions, non-profits, and community outreach events.

# ORGANIZATION and FTE BREAKDOWN

## SOUTH CAROLINA AERONAUTICS COMMISSION ORGANIZATIONAL CHART



*14 FTE's Currently Authorized  
(9.8 General Funds; 4.2 Other Funds)*

*11 Filled, 3 Vacant, 4 Contract/Temporary*

*No Expected Change in Personnel*

# Performance Update

## Annual Accountability Report Summary FY2019-2020

- Aeronautics has approved and financially participated in forty-two new state funded grants totaling \$5,013,988.
  - These grants included airport capital improvement projects which qualified for 90 percent federal funding, resulting in South Carolina’s airports receiving \$34,438,685 in federal funds.
  - In addition, airport maintenance projects were funded at 75 percent from SCAC and 25 percent from the respective airport owners.
  - Four additional projects received 100 percent funding from SCAC and were for aerospace education and the general promotion of aviation within South Carolina.
  - All grant recipients have met or are on track to meet their projected planning budgets.
- Aeronautics published and distributed the 2020 Aeronautical Chart and Airport Directory.
- Aeronautics continues to inspect public use airports to ensure they maintain state and federal standards.
- Aeronautics continues to provide cost effective, safe air transportation.
- Aeronautics continues to serve on the SC-EMD Air Operations Branch and assists with post hurricane emergency response activities.
- Aeronautics continues to support aviation education by promoting and financially participating in education grants for STEM based aviation education training and flight simulation training. This educational outreach has provided opportunities to thousands of students in SC, and makes students aware of the career paths that are available to them in aviation/aerospace here in SC.

# **Financial Update: State Aviation Fund (SAF)**

## **Title 55 – Aeronautics**

### **SECTION 55-5-280**

(A)(1) All monies received from licensing of airports, landing fields, or funds appropriated for aviation grants, the tax on aviation fuel, and fees for other licenses issued under this chapter must be paid into the State Treasury and credited to the fund known as the "State Aviation Fund".

(2) The fund also may receive gifts, grants, and federal funds and shall include earnings from investments of monies from the fund.

(3) A fund balance at the close of the fiscal year shall not lapse but must be carried forward to the next fiscal year.

(4) The revenue credited to the State Aviation Fund pursuant to this subsection must be used solely as provided in subsection (C).

(B) In any fiscal year in which the tax levied by the State pursuant to Section 12-37-2410, et seq., exceeds two and one-half million dollars, the revenues in excess of two and one-half million dollars must be directed to the State Aviation Fund; however, any revenue in excess of five million dollars must be credited in equal amounts to the general fund and the State Aviation Fund.

(C) The State Aviation Fund must be used solely for:

(1) maintenance and repairs of the division's aircraft; or

(2) maintenance, rehabilitation, and capital improvements to public use airports, which may include use as matching funds for FAA Airport Improvement Grants, provided that those airports receiving grants meet the requirements set forth by the division.

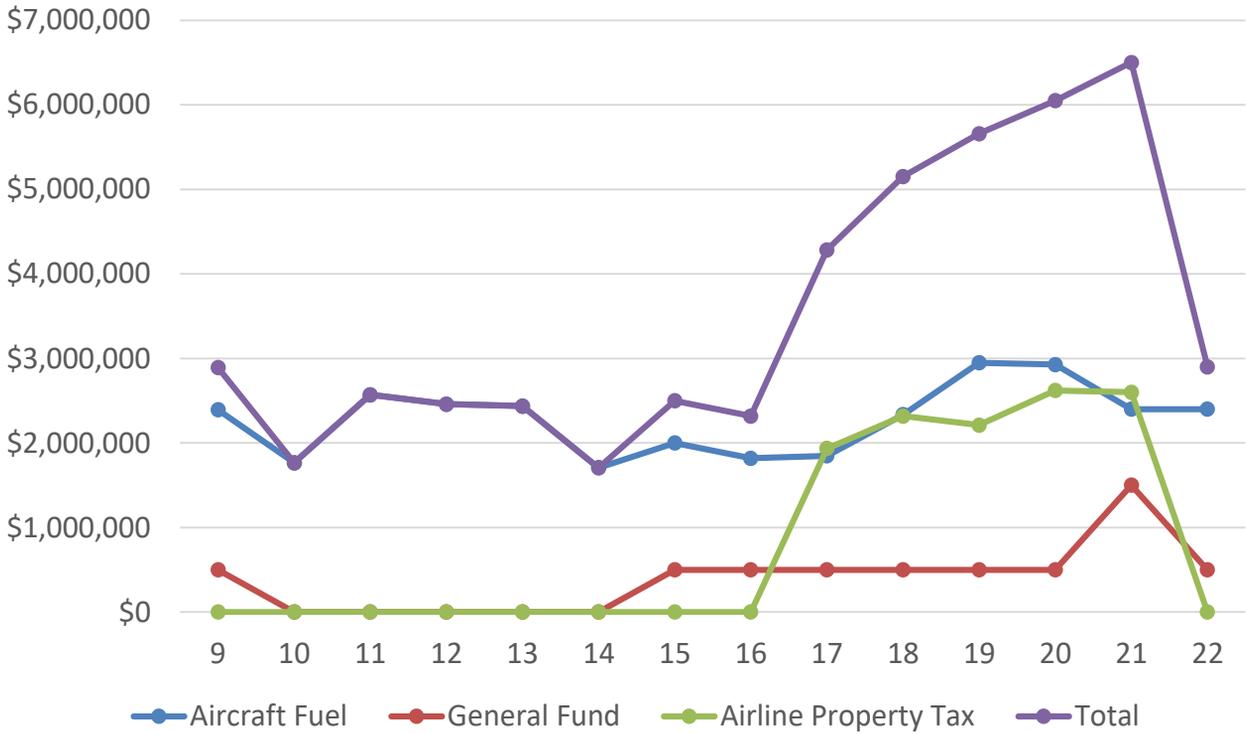
(3) The State Aviation Fund must not be used for operating expenses of the division.

(D) The division may promulgate regulations governing the eligibility requirements and procedures for disbursements from the State Aviation Fund.

HISTORY: 1962 Code § 2-75; 1952 Code § 2-75; 1942 Code § 7112-20; 1935 (39) 447; 1937 (40) 595; 1938 (40) 1835; 1993 Act No. 181, § 1289, eff July 1, 1993; 2005 Act No. 11, § 1.F, eff upon approval (became law without the Governor's signature on January 13, 2005); 2012 Act No. 270, § 3, eff June 18, 2012; 2016 Act No. 239 (H.4577), § 1, eff June 5, 2016.

# Financial Update: SAF (cont.)

## Fund Revenue with Projections



# Financial Update: SAF Fund Budget Projections

	<u>Expected Commitments for FY2021-2022</u>
Expected New Grant Commitments	3,800,000 *
Expected New Terminal Funding Requests	500,000
State Sponsored Federal Match	100,000
State Aviation Maintenance Projects	1,250,000
State Aviation Administration Projects	600,000
State Aviation Support Services	350,000
<b>TOTAL PROJECTED COMMITMENTS</b>	<b>6,600,000</b>

- \* New Commitments include the anticipated Federal FY2021 airport CIP's, and State/Local projects.
- \* Have multi-year life-cycles that can span up to four years. These funds are used as matching funds for Federal Aviation Administration grants, and Capital Improvements that may not be federally eligible.

	<u>Expected Commitments for FY2021-2022</u>
Expected Program Commitments with recurring appropriation	2,500,000*

- New Commitments include grant and aid programming for the larger Commercial airports.
- Includes grant and aid programming at higher levels for the smaller General Aviation airports.
- May include grant programming for State Aviation System Plan identified projects.
- May include the funding of secondary pavements that are not federally eligible.

# Budget Request Summary

FY2021-2022

- Recurring Appropriations:
  - None asked for this fiscal year
  - We do ask for your support of legislation that addresses our State Aviation Fund issues so that we don't have to make a recurring request next year.
    - H.XXX
    - S.360
  
- Non-Recurring Appropriations:
  - \$350,000 for Window Frame replacement
  - \$400,000 for Roofing and Coatings

# Budget Request: Non-Recurring Appropriation

## FY2021-2022

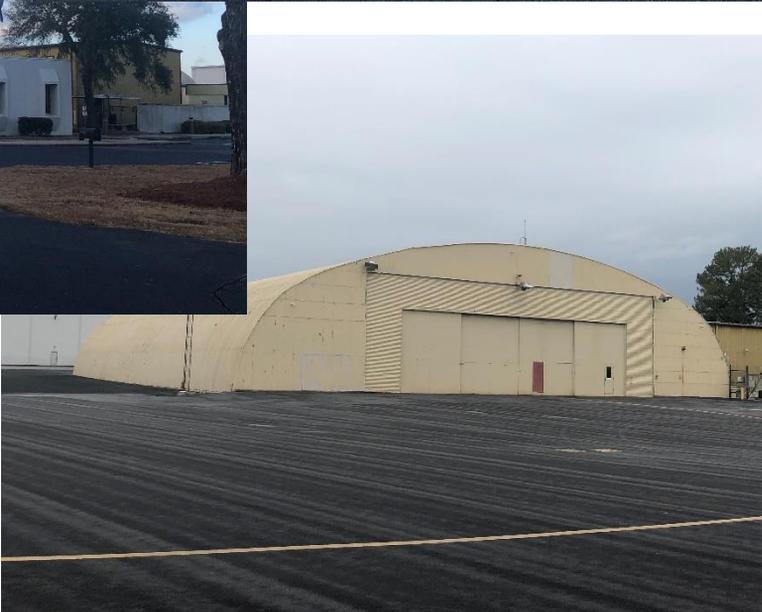
- Aeronautics is requesting a one-time \$350,000 appropriation for the completion of the Windows project at the division's main offices.
  - The first round of funding is being used to cover architectural design fees and the cost of the glass as initially requested.
  - This second round of funding is due to the necessary replacement of window frames whose conditions are not suitable for re-use as was previously planned.



# Budget Request: Non-Recurring Appropriation

## FY2021-2022

- Aeronautics is requesting a one-time \$400,000 appropriation for the replacement of the Roof on the division’s main hangar, the Roof on the administrative building, and for a specialty coating on the Quonset hangar.



# Budget Request: Non-Recurring Appropriation

FY2021-2022

- Roof Replacement (cont.)



# Aeronautics Proviso Request Summary

## FY2021-2022

Transportation and Regulatory Subcommittee Proviso Request Summary						
FY 20-21 Proviso #	Renumbered FY 21-22 Proviso #	Proviso Title	Short Summary	FY of Proviso Introduction/ # of years in budget	Recommended Action	Proviso Language
87.1		Reimbursement for Services Carry Forward	Allows the division to carry forward reimbursements up to \$300,000 for the replacement of aircraft components	Pre 2001	CODIFY	
87.2		Office Space Rental	Allows the division to retain office space rental revenue	Pre 2001	CODIFY	
87.3		Funding Sequence	Provides the funding sequencing for airports within SC	Pre 2001	AMEND	All General Aviation Airports will receive funding prior to the <del>four</del> air carrier airports (i.e. Columbia, Charleston, Florence, Greenville-Spartanburg, Hilton Head, Myrtle Beach International) as these qualify for special funding under the DOT/FAA appropriations based on enplanements in South Carolina.
87.4		Hangar/Parking Facilities	Allows the division to provide hangar/parking space for a fee to other government aircraft	Pre 2001	CODIFY	
87.5		Aviation Grants	Provides the structure for State Aviation Fund and associated grant programs	Pre 2001	NO CHANGE	
117.22		State-Owned Aircraft - Flight Logs	Establishes the requirements for the filing and retention of aircraft flight logs	Pre 2001	NO CHANGE	
117.97		Prohibit Use of State Aircraft for Athletic Recruiting	Establishes the structure for the allowance of state aircraft for athletic recruiting	Began FY13-14 / 8 Yrs in Budget	NO CHANGE	

### 87.3 Funding Sequence

All General Aviation Airports will receive funding prior to the ~~four~~ air carrier airports (i.e. Columbia, Charleston, Florence, Greenville-Spartanburg, Hilton Head, Myrtle Beach International) as these qualify for special funding under the DOT/FAA appropriations based on enplanements in South Carolina.

# Other Information

## Aircraft (Airline) Property Tax

S 360

Session 124 (2021-2022)

S 0360 General Bill, By Rice

A BILL TO AMEND SECTION 12-37-2460, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO CREDITING PROPERTY TAXES ON AIRLINES, SO AS TO CREDIT THE PROCEEDS OF TAXES TO THE STATE AVIATION FUND; AND TO AMEND SECTION 55-5-280, RELATING TO THE STATE AVIATION FUND, SO AS TO PHASE-IN THE CREDITING OF THE PROCEEDS.

View full text

12/09/20 Senate Prefiled

12/09/20 Senate Referred to Committee on Finance

01/12/21 Senate Introduced and read first time

01/12/21 Senate Referred to Committee on Finance

TO AMEND SECTION 12-37-2460, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO CREDITING PROPERTY TAXES ON AIRLINES, SO AS TO CREDIT THE PROCEEDS OF TAXES TO THE STATE AVIATION FUND; AND TO AMEND SECTION 55-5-280, RELATING TO THE STATE AVIATION FUND, SO AS TO PHASE-IN THE CREDITING OF THE PROCEEDS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 12-37-2460 of the 1976 Code is amended to read:

"Section 12-37-2460. Subject to Section 55-5-280, the proceeds collected under this article shall be paid into the general fund of the State Aviation Fund."

SECTION 2. Section 55-5-280(B) of the 1976 Code is amended to read:

"(B)(1) In any Fiscal Year in which 2021-2022, if the revenues from the tax levied by the State pursuant to Section 12-37-2410, et seq., exceeds two and one-half one million two hundred fifty thousand dollars, the revenues in excess of two and one-half one million two hundred fifty thousand dollars must be directed to the State Aviation Fund; however, any revenue in excess of five million dollars must be credited in equal amounts to the general fund and the State Aviation Fund.

(2) In any fiscal year after 2021-2022, the revenues from the tax levied by the State pursuant to Section 12-37-2410, et seq., must be credited to the State Aviation Fund."

SECTION 3. This act takes effect upon approval by the Governor.



## **South Carolina Aeronautics Commission**

**For additional questions...**

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